

SECTION I.
Introduction

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Purpose of the Consolidated Plan

Beginning in FY 1995, the U.S. Department of Housing and Urban Development (HUD) required states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding. The Plan consolidates into a single document the previously separate planning and application requirements for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), the HOME Investment Partnerships Program and Housing Opportunities for People with AIDS (HOPWA) funding, and the Comprehensive Housing and Affordability Strategy (CHAS). Consolidated Plans are required to be prepared every five years; updates to the five year Plan are required annually.

The Purpose of the Consolidated Plan is:

1. To identify a state's housing and community development needs, priorities, goals, and strategies; and
2. To stipulate how funds will be allocated to state housing and community development nonprofit organizations and local governments.

This report contains the FY2004 Consolidated Plan Update. It is the fourth and final annual update to the State of Indiana FY2000 five-year Consolidated Plan. This report contains new information about demographic, economic and housing market trends in the State; an updated analysis of Statewide affordable housing needs; findings from the FY2004 citizen participation process; and a current analysis of the needs of special populations. In addition, the State has updated its FY2000 Strategies & Action Plan for FY2004 to reflect the changing housing and community development needs in the State.

Summary Findings

The research conducted for the FY2004 Consolidated Plan Update revealed a number of *new* housing and community development trends in the State. These include the following:

- New data on housing cost and incomes in the State showed that almost 480,000 households in Indiana paid more than 30 percent of their incomes for rent or mortgage in 2002 and, as such, were cost burdened. This was a 10 percent increase from 2000.

- New Census data further examined housing cost and incomes in the State. Seventy-two percent of owner households in the 81 to 100 percent of area median income (AMI) category were “underpaying” for housing and 41 percent of households in the 51 to 80 percent of AMI income category were “underpaying” for housing. Renter households in the 81 to 100 percent of AMI bracket had 86 percent of total households “underpaying” for housing; 42 percent of renters in the 51 to 80 percent of AMI bracket were “underpaying.”
- Homes built before 1940 may have had interior or exterior paint with lead levels as high as 50 percent. Twenty percent of renters live in housing that was built pre-1940 and 20 percent of owners live in pre-1940 housing stock. Approximately, 8 percent of all renters earn less than 51 percent of the AMI and live in housing stock built pre-1940 while 4.6 percent of all owners live in the same conditions.
- The public forums revealed job training and job creation as the highest ranked community development need. Sewer and infrastructure in support of affordable housing were second and third. Emergency shelters and owner-occupied rehabilitation were the highest ranked housing need.
- Housing and Community Development Survey respondents said single family homes was the most needed type of housing at 38 percent. The need for emergency shelters was second with 28 percent. This was a 7 percentage point increase from the 2003 survey.
- Each year there are approximately 800 youth who are “aging out” of foster care in Indiana. Research reveals that 3 out of 10 of the nation’s homeless are former foster children, and homeless parents who have a history of foster care are almost twice as likely to have their own children place in foster care as homeless people who were never in foster care. The need for safe, affordable housing is a central issue identified by young adults who have aged out of foster care. These young adults need transitional housing with supportive services, rental vouchers with supportive services, and affordable housing.

Compliance with Consolidated Plan Regulations

The State of Indiana’s 2004 Consolidated Plan Update was prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development’s (HUD) Consolidated Plan regulations. Appendix H, the “HUD Regulations Cross-Walk” contains a checklist detailing how the 2003 Update meets these requirements.

Organization of the Report

The remainder of the 2004 Update is organized into six sections and eight appendices.

- Section II discusses the demographic and economic trends in Indiana to set the context for the housing and community development needs and strategies discussed in later sections.
- Section III reports the findings from the regional forums and a key person survey, which are used to determine the State's housing and community development needs.
- Section IV reports updated information about the State's housing market and needs, including housing vacancies, unit characteristics, affordability, cost burden and the needs of public housing authorities in nonentitlement areas;
- Section V discusses the housing and community development needs of the State's special needs populations. The section gives updated estimates of these populations, reports new programs and initiatives to serve them, and identifies remaining gaps.
- Section VI contains the State's five year program strategies and FY2004 Action Plan.

The Appendices include:

- A. List of Key People
- B. Consolidated Plan Certifications
- C. Key Person Survey Instrument
- D. Citizen Participation Plan and Outreach Efforts
- E. Public Comment and Response
- F. Fair Housing
- G. 2004 Allocation Plans
- H. HUD Regulations Cross-Walk

Lead and Participating Agencies

Indiana's 2004 Update was a collaborative effort. The Indiana Department of Commerce and the Indiana Housing Finance Authority (IHFA) were responsible for overseeing the coordination and development of the Update. The Indiana Family and Social Services Administration (FSSA) also assisted in its development.

The Consolidated Plan Coordinating Committee included representatives from the organizations listed above as well as individuals from the Indiana Coalition on Housing and Homeless Issues (ICHHI), the Indiana Association for Community Economic Development (IACED), the Indiana Civil Rights Commission (ICRC), Rural Opportunities, Incorporated (ROI), the Indiana Institute on Disability and Community, and the U.S. Department of Housing and Urban Development. A list of Committee members and their respective organizations can be found in Appendix A.

Citizen Participation Process

The Consolidated Plan was developed with a strong emphasis on community input. Brochures explaining the purpose of the Consolidated Plan and how citizens could contribute, including an agenda and dates of the public forums, were mailed to citizens and local governmental and nonprofit organizations throughout the State at the beginning of the public process.

Citizens participated in the development of the Consolidated Plan through:

- Six regional forums held in cities throughout the State;
- A Statewide community survey of 386 community representatives;
- A 30 day public comment period; and
- Two public hearings about the Plan and fund allocations.

Consultation with Governmental and Nonprofit Organizations

The Consolidated Plan Committee made a significant effort to involve governmental agencies and nonprofit organizations at all levels in the planning process. In addition to the regional forums described above, representatives of governmental or nonprofit organizations participated by sharing studies and information concerning the needs of communities. Among the organizations with which the Committee exchanged information were State and local policymakers, service providers to the State's special needs populations, administrators of public housing authorities, and city planners and housing development specialists. The materials that these organizations shared with us are sourced throughout the report.

Acknowledgments

Each member of the Consolidated Plan Coordinating Committee made valuable contributions to this process and merits special recognition.

The State of Indiana retained BBC Research & Consulting, Inc. (BBC), an economic research and management consulting firm, The Keys Group, an Indiana-based planning and research partnership, and the Winston Terrell Group, an Indiana based public relations firm, to assist in the preparation of the 2004 Consolidated Plan Update.